

Darius Grant

New York, NY

March 6, 2012

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<p>1 Grant - March 6, 2012</p> <p>2 let everyone in the CDO group go.</p> <p>3 Q. I see. Let me direct your attention</p> <p>4 specifically to the period 2006-2007.</p> <p>5 Who was your immediate supervisor?</p> <p>6 A. I had two supervisors. One was Nester</p> <p>7 Dominguez and one was Janice Warne.</p> <p>8 Q. What was the relationship between</p> <p>9 Mr. Dominguez and Ms. Warne?</p> <p>10 MS. LITTLE: Objection, vague.</p> <p>11 MR. INFELISE: Let me rephrase it.</p> <p>12 Q. You say you had two supervisors.</p> <p>13 What do you mean by that?</p> <p>14 A. I believe when I first joined the CDO</p> <p>15 group -- well, that's probably going back too early.</p> <p>16 At one stage, Janice was in charge of</p> <p>17 the overall group and Nester reported to her. Then</p> <p>18 there was a period when I believe he was promoted to</p> <p>19 co-head of the CDO group, and it was Janice and</p> <p>20 Nester were then co-heads of that group up until the</p> <p>21 time I left.</p> <p>22 Q. So during the period of 2006-2007, they</p> <p>23 were co-heads, to the best of your recollection, of</p> <p>24 the CDO group?</p> <p>25 A. I don't remember when Nester was</p>	<p>1 Grant - March 6, 2012</p> <p>2 A. I don't understand exactly the question.</p> <p>3 Q. All right. Was Mr. Stoker a subordinate</p> <p>4 of yours in the year 2006?</p> <p>5 A. Yes.</p> <p>6 Q. Was Mr. Stoker a subordinate of yours</p> <p>7 during the entire time 2007 when you worked at</p> <p>8 Citigroup?</p> <p>9 A. Yes.</p> <p>10 Q. All right, sir.</p> <p>11 Do you hold any professional licenses?</p> <p>12 A. I believe they have lapsed because I</p> <p>13 don't need them for my current job, but I did when I</p> <p>14 worked at Citigroup.</p> <p>15 Q. While you worked at Citigroup, what</p> <p>16 professional licenses, if any, did you have?</p> <p>17 A. There was Series 7, Series 63, I</p> <p>18 believe. Which is the state one, and then there was</p> <p>19 the -- there was one more. I don't remember the</p> <p>20 number.</p> <p>21 Q. And were those -- did you keep these</p> <p>22 current during the time you worked at Citigroup?</p> <p>23 A. Yes.</p> <p>24 Q. Now, within the CDO group, sir, could</p> <p>25 you explain or describe for me what the role or</p>
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<p>1 Grant - March 6, 2012</p> <p>2 promoted exactly.</p> <p>3 Q. During that period 2006-2007, did you</p> <p>4 have more constant interaction with Ms. Warne or</p> <p>5 Mr. Dominguez?</p> <p>6 MR. COHEN: Objection to form. You can</p> <p>7 answer.</p> <p>8 A. I would say with both. 50/50.</p> <p>9 Q. All right. Now, what was your position</p> <p>10 in the CDO group in the period 2006-2007?</p> <p>11 A. I was in charge of a group called -- of</p> <p>12 people who structured CDOs.</p> <p>13 Q. Was that what is known as the</p> <p>14 structuring desk?</p> <p>15 A. Yes.</p> <p>16 Q. Approximately how many people worked for</p> <p>17 you?</p> <p>18 A. I don't remember exactly, but I believe</p> <p>19 at the peak it was 20 people to 25, maximum.</p> <p>20 Q. And was one of those individuals Brian</p> <p>21 Stoker?</p> <p>22 A. Yes.</p> <p>23 Q. And was he -- did you supervise</p> <p>24 Mr. Stoker the entire period of time from 2006</p> <p>25 through 2007?</p>	<p>1 Grant - March 6, 2012</p> <p>2 function of the structuring desk was.</p> <p>3 MS. LITTLE: Objection, vague.</p> <p>4 MR. COHEN: Objection to form.</p> <p>5 A. The role was to structure CDOs which</p> <p>6 meant, you know, putting the CDO together and</p> <p>7 looking, working through the math of the models,</p> <p>8 getting, you know -- dealing with the rating</p> <p>9 agencies, you know, basically structuring the CDO.</p> <p>10 Q. Was the role any different with respect</p> <p>11 to cash CDOs versus synthetic CDOs?</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 MS. LITTLE: Objection, vague.</p> <p>14 A. They were -- I mean, there were</p> <p>15 different complications between the two. Synthetic</p> <p>16 CDOs I would say were more complex. There was also</p> <p>17 other groups within the firm that were doing</p> <p>18 synthetic CDOs, not just my group.</p> <p>19 Q. What other groups were those?</p> <p>20 A. There was a group in London which did</p> <p>21 synthetic CDOs.</p> <p>22 Q. Well, specifically, then, you say that</p> <p>23 as I understand your testimony, the synthetic CDOs</p> <p>24 were more complex?</p> <p>25 A. I mean, in my opinion.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 Q. And did that require the structuring</p> <p>3 desk to do anything different or additional or in</p> <p>4 addition to what you did with a cash CDO?</p> <p>5 A. I don't think in terms of the math.</p> <p>6 There may have been legal differences which you know,</p> <p>7 I'm not an expert in the legal side, so I wouldn't</p> <p>8 know. But in terms of cash, you know, and modeling</p> <p>9 the deal and looking at the cash flows, they were,</p> <p>10 you know, similar.</p> <p>11 Q. Well, let me go back. I have used the</p> <p>12 term synthetic CDO.</p> <p>13 Do you have an understanding of what</p> <p>14 that is?</p> <p>15 A. Yes.</p> <p>16 Q. What's your understanding of what a</p> <p>17 synthetic CDO is?</p> <p>18 A. I mean, if I think carefully about it,</p> <p>19 it could mean a number of different things, but I can</p> <p>20 tell you what I do think is commonly thought of, is a</p> <p>21 CDO which contained synthetic collateral instead of</p> <p>22 cash collateral.</p> <p>23 Q. Are you familiar with the term reference</p> <p>24 assets?</p> <p>25 A. Yes.</p>	<p>1 Grant - March 6, 2012</p> <p>2 documents that were used to market CDOs?</p> <p>3 A. Market, yeah.</p> <p>4 Q. So my question was did the structuring</p> <p>5 desk have any role in the preparation of those</p> <p>6 marketing documents?</p> <p>7 MR. COHEN: Objection to form.</p> <p>8 MS. LITTLE: Objection.</p> <p>9 A. Yes.</p> <p>10 Q. And what was that?</p> <p>11 A. They would assist in putting together a</p> <p>12 flip book which would describe the transaction and</p> <p>13 worked with lawyers on the offering materials to</p> <p>14 extend. You call those marketing materials.</p> <p>15 Q. So you're talking about a flip book.</p> <p>16 Was there any other specific documents</p> <p>17 that the structuring desk assisted in preparing for</p> <p>18 the marketing of CDOs?</p> <p>19 A. There may have been term sheets which</p> <p>20 were used. Sometimes were external, sometimes were</p> <p>21 internal use only.</p> <p>22 Q. Are you familiar with the term offering</p> <p>23 circular or offering memorandum?</p> <p>24 A. Yes.</p> <p>25 Q. And is that a document that the</p>
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<p>1 Grant - March 6, 2012</p> <p>2 Q. And how, if at all, does that apply to a</p> <p>3 synthetic CDO?</p> <p>4 A. Synthetic CDO would contain credit fault</p> <p>5 swap, and the credit fault swap would be based on a</p> <p>6 reference asset.</p> <p>7 Q. Okay. What about with respect to CDO</p> <p>8 squareds; and specifically, my question is was the</p> <p>9 function of the structuring desk any different with</p> <p>10 respect to CDO squareds?</p> <p>11 MR. COHEN: Objection to form.</p> <p>12 MS. LITTLE: Objection, vague.</p> <p>13 A. Again, the -- I don't think there was</p> <p>14 any major difference. Again, there might have been</p> <p>15 legal differences, the math, how the formulas were a</p> <p>16 little bit different. But the essential role of</p> <p>17 creating a spreadsheet, getting it rated, was really</p> <p>18 the same.</p> <p>19 Q. All right. Did the structuring desk</p> <p>20 have any role in preparing the market documents for a</p> <p>21 CDO that it was structuring?</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 MS. LITTLE: Objection, vague.</p> <p>24 A. I don't understand the question.</p> <p>25 Q. Well, are you familiar with the type of</p>	<p>1 Grant - March 6, 2012</p> <p>2 structuring desk assisted in preparation of for the</p> <p>3 purpose of marketing CDOs?</p> <p>4 A. Yes.</p> <p>5 Q. And specifically, what did the</p> <p>6 structuring desk do with respect to the offering</p> <p>7 circular preparing it for market?</p> <p>8 MR. COHEN: Objection to form.</p> <p>9 A. Typically, they would make sure the</p> <p>10 mathematics -- the capital structure was, you know,</p> <p>11 accurate in the offering circular. I mean, that was</p> <p>12 the main task.</p> <p>13 Q. And was it a standard practice while you</p> <p>14 were supervising the structuring desk in 2006-2007</p> <p>15 for you to review offering memorandums or flip books</p> <p>16 that would be used to market CDOs that you were</p> <p>17 structuring?</p> <p>18 MR. COHEN: Objection to form.</p> <p>19 A. No, normally.</p> <p>20 Q. Did you have responsibility for</p> <p>21 approving the offering memorandum or flip book that</p> <p>22 was prepared for purposes of marketing the CDOs that</p> <p>23 you were structuring?</p> <p>24 MR. COHEN: Objection to form.</p> <p>25 A. Sometimes I would review a flip book. I</p>

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<p>1 Grant - March 6, 2012</p> <p>2 rarely reviewed offering documents. When I first</p> <p>3 started the job, I was structuring deals myself and I</p> <p>4 would look at the offering documents in detail and</p> <p>5 create the flip books myself, but as my role</p> <p>6 progressed, I did less and less of that.</p> <p>7 Q. Was there any formal procedure or</p> <p>8 process by which an offering memorandum had to be</p> <p>9 reviewed before it could be used and actually market</p> <p>10 a CDO that you were structuring?</p> <p>11 MR. COHEN: Objection to form.</p> <p>12 MS. LITTLE: Objection, vague.</p> <p>13 A. There were external attorneys which were</p> <p>14 deal counsel whose responsibility was to create the</p> <p>15 offering materials. And so we typically relied on</p> <p>16 the external counsel in, you know, ensuring those</p> <p>17 were accurate.</p> <p>18 Q. Are you -- let me make sure I understand</p> <p>19 your testimony, sir.</p> <p>20 Was it standard practice, then, for</p> <p>21 external counsel to actually prepare the offering</p> <p>22 circular?</p> <p>23 A. Yes.</p> <p>24 Q. And where did they get the information</p> <p>25 that they would use to include in the offering</p>	<p>1 Grant - March 6, 2012</p> <p>2 Q. I mean; is that correct, sir?</p> <p>3 A. To the extent the -- obviously, if there</p> <p>4 were legal changes, they wouldn't probably know what</p> <p>5 those legal changes was, but if the deal had a</p> <p>6 different size of CDO, or a different, you know,</p> <p>7 rating category, they would -- they were really</p> <p>8 responsible for telling the counsel, deal external</p> <p>9 counsel.</p> <p>10 Q. Now, you said you believed that counsel</p> <p>11 normally would take a template from a previous deal</p> <p>12 and use that as a starting point.</p> <p>13 When you were on the structuring desk</p> <p>14 and you were structuring a new CDO, how did you know</p> <p>15 what template the external counsel was using as a</p> <p>16 basis for the offering materials in that CDO?</p> <p>17 MR. COHEN: Objection to form.</p> <p>18 MS. LITTLE: Objection, vague, compound.</p> <p>19 A. So do I answer?</p> <p>20 Q. Yes, please.</p> <p>21 A. Sometimes the deal manager would suggest</p> <p>22 an offering document. I think sometimes the external</p> <p>23 counsel would recommend one. I mean, we tended to</p> <p>24 use a few external counsel, and so they had worked on</p> <p>25 probably a large number of deals for us, so they were</p>
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<p>1 Grant - March 6, 2012</p> <p>2 memorandum?</p> <p>3 MR. COHEN: Objection to form.</p> <p>4 A. They would -- as a matter of practice,</p> <p>5 because there had been so many deals done, I believe</p> <p>6 they would take a similar deal and use that previous</p> <p>7 offering document as a template, and then the</p> <p>8 structure would let them know the things that were</p> <p>9 different, that needed to be changed in that</p> <p>10 document.</p> <p>11 Q. You say the structure.</p> <p>12 Would that be the structure responsible</p> <p>13 for the particular CDO?</p> <p>14 MR. COHEN: Objection to form.</p> <p>15 MS. LITTLE: Objection.</p> <p>16 A. I would call that the deal manager.</p> <p>17 Q. The deal manager. Were each of the CDOs</p> <p>18 that were structured on your desk actually assigned a</p> <p>19 deal manager?</p> <p>20 A. Yes.</p> <p>21 Q. And it was that person's responsibility</p> <p>22 to tell counsel if there were any differences in that</p> <p>23 deal as compared to the templates that were being</p> <p>24 used?</p> <p>25 MS. LITTLE: Objection, vague.</p>	<p>1 Grant - March 6, 2012</p> <p>2 familiar with what documents --</p> <p>3 Q. All right.</p> <p>4 A. -- they should use.</p> <p>5 Q. When you say outside counsel,</p> <p>6 specifically are you referring to outside counsel for</p> <p>7 Citigroup?</p> <p>8 A. The role was deal counsel. So they were</p> <p>9 not representing Citigroup. You know, to be honest,</p> <p>10 I forget their precise legal roles. They were</p> <p>11 counsel to the offering. So I don't know if that</p> <p>12 makes them counsel to the legal entity in the</p> <p>13 Caymans, for example.</p> <p>14 Q. The SPV, counsel for the SPV?</p> <p>15 A. No, they weren't -- actually, no, that</p> <p>16 was someone in the Caymans. Typically, my</p> <p>17 recollection is that they would be deal counsel and</p> <p>18 underwriter's counsel, so they actually would be</p> <p>19 performing the function of representing Citigroup as</p> <p>20 underwriter, and then they would be -- manager's</p> <p>21 counsel would be someone different.</p> <p>22 Q. Manager's counsel, what do you mean by</p> <p>23 that?</p> <p>24 A. Counsel -- external counsel representing</p> <p>25 the investment manager of the CDO.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 Q. Okay. Now, was there, going back to</p> <p>3 the -- my question concerning the approval process,</p> <p>4 was there any written procedures that the structuring</p> <p>5 desk were required to use in order to get approval</p> <p>6 for the marketing documents for a CDO that it was</p> <p>7 structuring?</p> <p>8 MR. COHEN: Objection to form.</p> <p>9 MS. LITTLE: Objection, vague.</p> <p>10 A. No, not that I'm aware of.</p> <p>11 Q. Was there any files or records</p> <p>12 maintained of reviews that were done by anyone of the</p> <p>13 marketing materials that were used for CDOs that the</p> <p>14 structuring group was putting together?</p> <p>15 MR. COHEN: Objection to form.</p> <p>16 A. Not that I'm aware of.</p> <p>17 Q. Now, in structuring a CDO, again,</p> <p>18 looking at the period 2006-2007, did you work with</p> <p>19 any other desks on the CDO group?</p> <p>20 A. Yes.</p> <p>21 Q. Which ones?</p> <p>22 A. We would always work with the syndicate</p> <p>23 desk.</p> <p>24 Q. And when you say work with the syndicate</p> <p>25 desk, what exactly did you do?</p>	<p>1 Grant - March 6, 2012</p> <p>2 who, if anyone, on the syndicate desk you coordinated</p> <p>3 the most with in structuring the CDOs?</p> <p>4 MS. LITTLE: Objection, vague.</p> <p>5 A. Typically, Shalabh Mehrish.</p> <p>6 Q. Shalabh Mehrish?</p> <p>7 A. But Shalabh had a number of people on</p> <p>8 the desk that -- you know, he was in charge, so it</p> <p>9 was probably the most -- he was probably the most</p> <p>10 involved.</p> <p>11 Q. Now, sir, I'm going to direct your</p> <p>12 attention again now to a specific CDO that was I</p> <p>13 believe called Class V Funding III.</p> <p>14 And I'm going to refer to that as just</p> <p>15 Class V III. Is that all right?</p> <p>16 A. Sure, yes.</p> <p>17 Q. Are you familiar with that or recall</p> <p>18 that CDO?</p> <p>19 A. I recall the name, not the details of</p> <p>20 the transaction.</p> <p>21 Q. Did your review of any of the documents</p> <p>22 that you said you reviewed for purposes of this</p> <p>23 deposition refresh your memory concerning that</p> <p>24 specific CDO?</p> <p>25 A. No.</p>
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<p>1 Grant - March 6, 2012</p> <p>2 A. The syndicate desk's responsibility was</p> <p>3 to distribute the CDO, the paper created by the CDO.</p> <p>4 And so they would provide us with market color as to</p> <p>5 what type of paper and type of structure would be</p> <p>6 received, you know, favorably in the market; and they</p> <p>7 would also be responsible for telling us what levels</p> <p>8 to model the debt, the debt tranches at. So they</p> <p>9 would be -- they would provide input to the model on</p> <p>10 the spreads.</p> <p>11 Q. You say they provided market color.</p> <p>12 What does that mean?</p> <p>13 A. They would tell us whether, you know, a</p> <p>14 structure was -- whether investors would like the</p> <p>15 deal, and therefore, be interested in buying the</p> <p>16 paper, or whether they would dislike the deal and</p> <p>17 theretofore, we would -- we may want to adjust the</p> <p>18 structure.</p> <p>19 Q. Do you recall who, if anyone, on the</p> <p>20 structuring desk you coordinated with the most with</p> <p>21 respect to CDOs in structuring?</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 MS. LITTLE: Objection.</p> <p>24 A. Sorry, can you repeat the question.</p> <p>25 Q. I'm sorry. Do you recall specifically</p>	<p>1 Grant - March 6, 2012</p> <p>2 Q. Okay. Do you recall whether or not you</p> <p>3 contacted or worked with Mr. -- is it Mehrish?</p> <p>4 A. Mehrish.</p> <p>5 Q. Mehrish, on the Class V III?</p> <p>6 A. I don't remember.</p> <p>7 Q. Do you recall whether or not you</p> <p>8 contacted or worked with anybody else in the</p> <p>9 syndicate desk on Class V III?</p> <p>10 A. I don't remember.</p> <p>11 Q. Now, in addition to the syndicate desk,</p> <p>12 did you coordinate with any other desks in the CDO</p> <p>13 group when you were structuring the CDO?</p> <p>14 MS. LITTLE: Objection, vague.</p> <p>15 A. Not -- I mean, there was a sales desk,</p> <p>16 so you know, you might -- you would be talking to the</p> <p>17 salespeople about the deal and maybe give them a term</p> <p>18 sheet in dealing with the sales desk.</p> <p>19 Q. Was there a secondary trading desk in</p> <p>20 the CDO group?</p> <p>21 A. Yes.</p> <p>22 Q. And was it a standard practice when you</p> <p>23 were structuring a CDO to coordinate with the</p> <p>24 secondary trading desk?</p> <p>25 MR. COHEN: Objection to form.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 MS. LITTLE: Objection, vague.</p> <p>3 A. Not frequently.</p> <p>4 Q. You say not frequently.</p> <p>5 On occasion would you coordinate with</p> <p>6 the secondary desk on a CDO that you were</p> <p>7 structuring?</p> <p>8 MS. LITTLE: Same objection.</p> <p>9 A. Well, I -- when you mean you, I didn't</p> <p>10 really deal with the secondary desk.</p> <p>11 Q. Personally, you didn't?</p> <p>12 A. Right.</p> <p>13 Q. Are you aware whether or not other</p> <p>14 individuals that worked for you on the structuring</p> <p>15 desk coordinated with the secondary desk on the CDO</p> <p>16 that you were structuring?</p> <p>17 MR. COHEN: Objection to form.</p> <p>18 MS. LITTLE: Objection.</p> <p>19 A. I don't remember.</p> <p>20 Q. Was it unusual for that to happen?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 MS. LITTLE: Objection.</p> <p>23 A. They weren't as a matter of course,</p> <p>24 involved. It was really syndicate. I know syndicate</p> <p>25 and trading coordinated -- worked a lot closer</p>	<p>1 Grant - March 6, 2012</p> <p>2 then the -- my understanding is that the CDO trading</p> <p>3 desk -- I think the CDO trading desk or syndicate</p> <p>4 would approve the inclusion of that CDO into the</p> <p>5 warehouse.</p> <p>6 Q. Now you're talking about a situation of</p> <p>7 a cash CDO where the CDOs were actually purchased for</p> <p>8 inclusion?</p> <p>9 MR. COHEN: Objection to form.</p> <p>10 A. No. Cash or synthetic because at the</p> <p>11 end of the day, the risk, the economic risk, was</p> <p>12 similar to Citigroup in the warehouse.</p> <p>13 Q. You say the economic risk on a synthetic</p> <p>14 CDO was similar to the economic risk with respect to</p> <p>15 a cash CDO?</p> <p>16 A. From the warehouse's perspective, yes.</p> <p>17 Because the warehouse had risk that if something went</p> <p>18 wrong, if one of the bonds defaulted, the warehouse</p> <p>19 would lose money. So if it was a synthetic or a cash</p> <p>20 bond and that bond defaulted, then the warehouse</p> <p>21 would take a loss.</p> <p>22 Q. Now, you said that would be one</p> <p>23 situation where the secondary trading desk would</p> <p>24 approve or at least have an input as to the assets</p> <p>25 that were going into the warehouse; is that correct?</p>
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<p>1 Grant - March 6, 2012</p> <p>2 together.</p> <p>3 Q. And how do you know that?</p> <p>4 A. Just the interaction on the desk, and</p> <p>5 you saw them. They were involved in, you know, risk</p> <p>6 meetings which we weren't involved in, for example.</p> <p>7 Q. Under what circumstances, to your</p> <p>8 knowledge, would someone on the structuring desk</p> <p>9 actually coordinate with someone on the secondary</p> <p>10 trading desk with respect to the CDO that you were</p> <p>11 structuring?</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 MS. LITTLE: Objection.</p> <p>14 A. Actually, there is one area. There is</p> <p>15 one area where there would be involvement, was the</p> <p>16 approval of -- we would -- Citibank would provide a</p> <p>17 warehouse for the CDO, and if you -- if the deal was</p> <p>18 buying mortgages, then the mortgage desk would</p> <p>19 approve the inclusion of that collateral into the</p> <p>20 warehouse from a risk prospective because Citigroup</p> <p>21 typically had the risk during the warehousing period.</p> <p>22 So most of the collateral is mortgages. So it was</p> <p>23 the mortgage desk which was a different desk all</p> <p>24 together. If it was a corporate, the corporate desk</p> <p>25 would approve it. If it was a CDO, going into a CDO,</p>	<p>1 Grant - March 6, 2012</p> <p>2 A. I don't remember if -- I don't remember.</p> <p>3 It's not clear in my mind if it was secondary and/or</p> <p>4 syndicate that was approving those CDOs.</p> <p>5 Q. Okay.</p> <p>6 A. I don't remember exactly which one.</p> <p>7 Q. Now, let me go back and ask in the CDO</p> <p>8 group, was there any formal procedures or policies</p> <p>9 for coordinating the activities of all the desks that</p> <p>10 were in the CDO group?</p> <p>11 MS. LITTLE: Objection, vague.</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 A. I don't understand it.</p> <p>14 Q. Were there any --</p> <p>15 A. The exact question.</p> <p>16 Q. Let me try it again.</p> <p>17 Were there any written policies or</p> <p>18 procedures of the CDO group as a whole concerning the</p> <p>19 coordination of activities of the various desks in</p> <p>20 the CDO group?</p> <p>21 A. I'm not aware of any.</p> <p>22 Q. Did you -- were there any meetings held</p> <p>23 of the various individuals in the CDO group?</p> <p>24 A. Yes.</p> <p>25 Q. And who would attend those?</p>

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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 A. There would be a -- there was a Monday</p> <p>4 morning call which Janice ran which was for everyone</p> <p>5 in the global CDO group which could be 100, 150</p> <p>6 people. You know, London, Tokyo, et cetera. That</p> <p>7 was certainly one time in a week when everyone was on</p> <p>8 the call. There would then be ad hoc meetings.</p> <p>9 There were, I recollect, there were managing director</p> <p>10 meetings, but most of the meetings were fairly ad hoc</p> <p>11 when an issue needed to be discussed. There were</p> <p>12 also risk meetings which I was wasn't invited to. It</p> <p>13 was -- I believe there was a risk pricing meeting</p> <p>14 once -- I don't remember the frequency. I wasn't</p> <p>15 invited.</p> <p>16 Q. All right. You mentioned this Monday</p> <p>17 morning call.</p> <p>18 What was the purpose of that?</p> <p>19 MR. COHEN: Objection to form.</p> <p>20 MS. LITTLE: Objection, vague.</p> <p>21 A. I personally thought it was so that</p> <p>22 Janice could find out, make sure -- it was her way of</p> <p>23 managing the whole group in understanding what was</p> <p>24 going on, but I think the secondary purpose was so</p> <p>25 that we all knew what each other were working on.</p>	<p>1 Grant - March 6, 2012</p> <p>2 focusing, understanding where the revenues were</p> <p>3 coming from the different desks.</p> <p>4 Q. What were the frequency of those</p> <p>5 managing director meetings?</p> <p>6 A. I don't remember exactly. I don't think</p> <p>7 that they were regular.</p> <p>8 Q. Was it once a week?</p> <p>9 A. I don't remember.</p> <p>10 Q. Once a month?</p> <p>11 A. No. Probably in between.</p> <p>12 Q. Sometime between once a week and once a</p> <p>13 month?</p> <p>14 A. Yes.</p> <p>15 Q. Now, was there any primary means of</p> <p>16 communicating between the various desks and the CDO</p> <p>17 group?</p> <p>18 MR. COHEN: Objection to form.</p> <p>19 MS. LITTLE: Objection, vague.</p> <p>20 A. Yes.</p> <p>21 Q. What was that?</p> <p>22 A. Typically verbal.</p> <p>23 Q. And when you say verbal, you mean oral</p> <p>24 communications?</p> <p>25 A. Yes, oral communication.</p>
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<p>1 Grant - March 6, 2012</p> <p>2 Q. During this meeting, was there</p> <p>3 discussions by the various people involved concerning</p> <p>4 what they were working on?</p> <p>5 MR. COHEN: Objection to form.</p> <p>6 A. Yes.</p> <p>7 Q. Now, you mentioned there were also the</p> <p>8 managing director meetings.</p> <p>9 Who presided over those meetings?</p> <p>10 A. After Michael Raynes joined, he was head</p> <p>11 of global structured credit products, Michael Raynes</p> <p>12 presided over those meetings; and prior to that, it</p> <p>13 was someone else.</p> <p>14 Q. Did Mr. Dominguez attend those meetings?</p> <p>15 A. Yes, if he was in the office.</p> <p>16 Q. And then the managing directors of the</p> <p>17 other desks in the CDO group would attend those</p> <p>18 meetings?</p> <p>19 A. Yes.</p> <p>20 Q. And what was the purpose of that, those</p> <p>21 meetings?</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 MS. LITTLE: Same objection.</p> <p>24 A. I think it was mainly so that Michael</p> <p>25 could direct people in terms of where they should be</p>	<p>1 Grant - March 6, 2012</p> <p>2 Q. And did you engage in communication by</p> <p>3 e-mails?</p> <p>4 A. Yes.</p> <p>5 Q. Was that a fairly standard practice to</p> <p>6 use e-mails to communicate from one desk to another?</p> <p>7 MS. LITTLE: Objection, vague.</p> <p>8 A. E-mails and/or going up -- because all</p> <p>9 the desks were very close to one another, so it was</p> <p>10 relatively easy to go and talk to people. I mean,</p> <p>11 frankly, that was quicker. If someone was out, I</p> <p>12 guess you might send them an e-mail.</p> <p>13 Q. Did you receive e-mails from the</p> <p>14 individuals who worked for you?</p> <p>15 A. Yes.</p> <p>16 Q. Was that a standard practice or routine</p> <p>17 practice?</p> <p>18 MS. LITTLE: Objection to form.</p> <p>19 A. Yes.</p> <p>20 Q. And did you rely upon information you</p> <p>21 received in that -- excuse me, strike that.</p> <p>22 Did you rely upon the information in</p> <p>23 those e-mails in doing your business as the I guess</p> <p>24 directing manager of the structure desk; is that</p> <p>25 correct?</p>

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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 MS. LITTLE: Objection.</p> <p>4 A. Managing director.</p> <p>5 Q. Managing director.</p> <p>6 A. I'm sorry, can you repeat the question.</p> <p>7 Q. Did you rely upon e-mails you received</p> <p>8 to -- from individuals who worked for you in</p> <p>9 conducting your activities as a managing director?</p> <p>10 MR. COHEN: Objection to form.</p> <p>11 MS. LITTLE: Objection, vague.</p> <p>12 A. Yes.</p> <p>13 Q. Okay. Mr. Grant, with respect to cash</p> <p>14 CDOs, did the structuring desk have any role in</p> <p>15 selecting or recommending assets for inclusion in the</p> <p>16 cash CDO?</p> <p>17 MR. COHEN: Objection to form.</p> <p>18 MS. LITTLE: Objection.</p> <p>19 A. Sometimes, yes.</p> <p>20 Q. Under what circumstances would a</p> <p>21 structuring desk have a role in selecting or</p> <p>22 recommending the assets for inclusion in a cash CDO?</p> <p>23 MS. LITTLE: Objection, vague and</p> <p>24 compound.</p> <p>25 A. I'm not sure I would use the word</p>	<p>1 Grant - March 6, 2012</p> <p>2 and make sure that was adequate, and then that would</p> <p>3 become the dummy portfolio, and it would be provided</p> <p>4 to the manager so that the manager would have an</p> <p>5 understanding of what assets they were -- you know,</p> <p>6 they would be buying, they would be expected to buy</p> <p>7 subject to their approval, obviously.</p> <p>8 Q. And when you did that, was there an</p> <p>9 assumption that the assets that you would actually</p> <p>10 identify were included in the final CDO?</p> <p>11 A. No.</p> <p>12 MR. COHEN: Objection to form. Darius,</p> <p>13 you have to give us a moment to object.</p> <p>14 THE WITNESS: Sorry.</p> <p>15 MR. COHEN: That's okay. Just take your</p> <p>16 time.</p> <p>17 MS. LITTLE: Objection.</p> <p>18 A. No.</p> <p>19 Q. Well, then, why would you include</p> <p>20 specific names of assets in the dummy portfolio?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 MS. LITTLE: Same objection.</p> <p>23 A. The managers would need to know the</p> <p>24 types of securities to buy. So if there was, you</p> <p>25 know, such and such issuer, you know, BBB, minus</p>
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<p>1 Grant - March 6, 2012</p> <p>2 recommend, but as part of structuring, typically a</p> <p>3 dummy portfolio would be created which listed the</p> <p>4 securities that would go into a CDO, and it could</p> <p>5 list actual securities, or it may list, you know,</p> <p>6 RMBS 1, RMBS 2, RMBS 3 with various characteristics</p> <p>7 such as spread and rating, and that would be the</p> <p>8 basis by which the deal would be rated.</p> <p>9 Q. All right. Now, when you say in some</p> <p>10 occasions it would be actual assets, would there be</p> <p>11 assets that actually had names?</p> <p>12 A. Yes.</p> <p>13 Q. How would they be selected by the</p> <p>14 structuring group desk?</p> <p>15 MR. COHEN: Objection to form.</p> <p>16 A. Typically, we would take a previous</p> <p>17 portfolio. I mean, frankly, the easiest thing to do</p> <p>18 was to take a portfolio that we knew worked and</p> <p>19 rated, was rated before, obviously subject to</p> <p>20 confidentiality of those securities weren't -- you</p> <p>21 know, you weren't just copying one manager's</p> <p>22 portfolio for another, but you would take a similar</p> <p>23 portfolio, and say you know, that we know this</p> <p>24 portfolio will be rated by, you know CDO, AAA through</p> <p>25 BBB, and work out what the return in equity would be</p>	<p>1 Grant - March 6, 2012</p> <p>2 security, then they would know that in order to meet</p> <p>3 the rating requirements of the deal, that they could</p> <p>4 buy something similar to that. But there was</p> <p>5 never -- it was never mandated, to my knowledge, that</p> <p>6 they buy those securities. Certainly from the</p> <p>7 structuring desk.</p> <p>8 Q. When you provided that dummy portfolio</p> <p>9 to the manager, was it a complete portfolio as an --</p> <p>10 excuse me, when you provided the dummy portfolio, did</p> <p>11 it include assets, specific assets or dummy assets,</p> <p>12 for the entire portfolio, so the manager could see</p> <p>13 how it would be structured?</p> <p>14 MR. COHEN: Objection to form.</p> <p>15 MS. LITTLE: Objection, vague.</p> <p>16 A. Typically, yes.</p> <p>17 Q. Let me then turn to a synthetic CDO as</p> <p>18 you defined it.</p> <p>19 Would the structuring desk, with respect</p> <p>20 to synthetic CDOs, typically make recommendations</p> <p>21 concerning the specific assets that should be</p> <p>22 included in a synthetic CDO?</p> <p>23 MS. LITTLE: Objection, vague.</p> <p>24 A. I'm sorry. Sorry, can you repeat the</p> <p>25 question.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 Q. Sure. Again, focusing on synthetic</p> <p>3 CDOs.</p> <p>4 A. Okay.</p> <p>5 Q. Would the structure desk typically make</p> <p>6 recommendations concerning specific assets that</p> <p>7 should be included in a synthetic CDO?</p> <p>8 MS. LITTLE: Objection, vague.</p> <p>9 A. My answer would be the same whether it</p> <p>10 was synthetic or cash. There would be a dummy</p> <p>11 portfolio, but there wouldn't be recommendations to</p> <p>12 buy securities. It would be for the manager to know</p> <p>13 what types of assets they were expected to manage.</p> <p>14 Q. Let me, then, ask you questions -- same</p> <p>15 question concerning CDO squareds.</p> <p>16 Did the structure desk make any</p> <p>17 recommendations typically concerning the specific</p> <p>18 assets that should be included in the CDO squared?</p> <p>19 MR. COHEN: Objection to form.</p> <p>20 MS. LITTLE: Objection.</p> <p>21 A. No. Same process of creating a dummy</p> <p>22 portfolio.</p> <p>23 Q. So the same process applied to cash</p> <p>24 CDOs, synthetic CDOs and CDO squareds?</p> <p>25 A. Correct.</p>	<p>1 Grant - March 6, 2012</p> <p>2 the dummy portfolio.</p> <p>3 Q. Was it typical for the secondary desk to</p> <p>4 specifically request inclusion of specific assets in</p> <p>5 the dummy portfolio that was provided to the asset</p> <p>6 manager?</p> <p>7 MR. COHEN: Objection to form.</p> <p>8 MS. LITTLE: Objection.</p> <p>9 A. I don't remember.</p> <p>10 Q. You don't remember?</p> <p>11 A. The secondary desk.</p> <p>12 Q. You don't remember ever doing that or</p> <p>13 you don't remember whether they did or not?</p> <p>14 MR. COHEN: Objection to form.</p> <p>15 MS. LITTLE: Objection.</p> <p>16 A. I don't remember if they did or not.</p> <p>17 Q. Now, when Citigroup selected an asset</p> <p>18 manager for a CDO structuring, was there any policy</p> <p>19 concerning instructions to the asset manager that</p> <p>20 they should purchase assets from Citigroup?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 MS. LITTLE: Objection.</p> <p>23 A. No formal policy.</p> <p>24 Q. Was there any informal policy?</p> <p>25 MR. COHEN: Objection to form.</p>
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<p>1 Grant - March 6, 2012</p> <p>2 Q. When you were putting together the dummy</p> <p>3 portfolio, was there any coordination between the</p> <p>4 structuring desk and the syndicate desk concerning</p> <p>5 what assets would be referenced in that dummy</p> <p>6 portfolio?</p> <p>7 MR. COHEN: Objection to form.</p> <p>8 MS. LITTLE: Objection.</p> <p>9 A. The syndicate desk would provide spreads</p> <p>10 on market color on the portfolio to make sure that it</p> <p>11 was -- as we discussed earlier, that it was, you</p> <p>12 know, market color would be -- we got from the market</p> <p>13 was being taken into account in creating the dummy</p> <p>14 portfolio.</p> <p>15 Q. What about with respect to the secondary</p> <p>16 desk, was there any coordination between structuring</p> <p>17 desk and secondary desk, secondary trading desk,</p> <p>18 concerning the assets that were included in the dummy</p> <p>19 portfolio that was provided to an asset manager?</p> <p>20 MS. LITTLE: Objection.</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 A. I don't remember if the secondary desk</p> <p>23 were involved. Probably on CDOs -- if you would</p> <p>24 take -- if the CDO itself was buying another CDO,</p> <p>25 then they would probably provide spread guidance for</p>	<p>1 Grant - March 6, 2012</p> <p>2 MS. LITTLE: Same objection.</p> <p>3 A. I don't think there was a policy.</p> <p>4 Q. So there wasn't a formal or informal</p> <p>5 policy?</p> <p>6 MR. COHEN: Objection to form.</p> <p>7 MS. LITTLE: Objection.</p> <p>8 A. We would like the manager to buy assets</p> <p>9 from Citigroup. Because we liked the risk of those</p> <p>10 assets, so if we had a warehouse open, it would make</p> <p>11 sense to buy assets from Citigroup. Because if we</p> <p>12 bought assets from another dealer, we would have to</p> <p>13 assess the risk of those. So frankly, it was more</p> <p>14 attractive buying securities that Citigroup</p> <p>15 structured itself, but there was no policy.</p> <p>16 Q. Was there any expectation that an asset</p> <p>17 manager would purchase assets for the CDO from</p> <p>18 Citigroup?</p> <p>19 MS. LITTLE: Objection to form.</p> <p>20 A. I don't -- expectation? I don't know if</p> <p>21 that's -- I understand that, what you mean by that.</p> <p>22 Q. Excuse me. Did you expect that an asset</p> <p>23 manager that was selected would actually purchase the</p> <p>24 assets for the CDO from Citigroup?</p> <p>25 MS. LITTLE: Objection, vague.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 A. I think that would be taking it too far.</p> <p>4 That would be strong to say that.</p> <p>5 Q. So you did not expect --</p> <p>6 A. Well, again, I don't know what the word</p> <p>7 expect or like. We would like the manager to buy</p> <p>8 securities from Citigroup. I'm not sure there was</p> <p>9 any formal expectations that they would. Certain</p> <p>10 managers, frankly, were -- you know, may not have</p> <p>11 bought many assets from Citigroup. But typically,</p> <p>12 Citigroup was one of the largest dealers in the</p> <p>13 market for mortgage-backed securities. And with, you</p> <p>14 know, several other firms. And so you would normally</p> <p>15 expect in a portfolio that was created by any manager</p> <p>16 that a significant portion of those securities would</p> <p>17 come from Citigroup. Because they wouldn't be able</p> <p>18 to probably ramp up a portfolio without Citigroup.</p> <p>19 Because I think Citigroup, at some stage, was number</p> <p>20 one, the lead table for asset-backed securities and</p> <p>21 mortgage-backed securities; and then there was</p> <p>22 Merrill and Lehman, about four or five other major</p> <p>23 players. So to be honest, it might have been tough</p> <p>24 if you really had to avoid buying securities from</p> <p>25 Citigroup.</p>	<p>1 Grant - March 6, 2012</p> <p>2 that was -- yeah, that's my recollection.</p> <p>3 MR. COHEN: Mr. Videographer, I was just</p> <p>4 wondering how you were on the tape, because I</p> <p>5 could use a break.</p> <p>6 MR. INFELISE: We're going to take a</p> <p>7 break right now.</p> <p>8 MR. COHEN: Okay. Perfect.</p> <p>9 THE VIDEOGRAPHER: This marks the end of</p> <p>10 tape No. 1. We're going off the record at 10:08</p> <p>11 a.m.</p> <p>12 (Discussion off the record.)</p> <p>13 THE VIDEOGRAPHER: This marks the start</p> <p>14 of tape No. 2. We're back on the record at</p> <p>15 10:23 a.m.</p> <p>16 BY MR. INFELISE:</p> <p>17 Q. Mr. Grant, I had asked you a few</p> <p>18 questions about whether or not there was any</p> <p>19 expectation that asset managers that Citigroup</p> <p>20 selected would actually acquire assets from</p> <p>21 Citigroup.</p> <p>22 Let me ask you this, was there normally</p> <p>23 any expectation that an asset manager that Citigroup</p> <p>24 selected would select assets from a source identified</p> <p>25 by Citigroup?</p>
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<p>1 Grant - March 6, 2012</p> <p>2 Q. Was the purchase of assets from</p> <p>3 Citigroup ever made a condition to the selection of</p> <p>4 an asset manager?</p> <p>5 MR. COHEN: Objection to form.</p> <p>6 MS. LITTLE: Objection, vague.</p> <p>7 A. Ever made a condition? I think we --</p> <p>8 there is maybe one occasion when I think we may have</p> <p>9 tried to do that, but I believe the manager pushed</p> <p>10 back.</p> <p>11 Q. Do you recall what occasion that was?</p> <p>12 A. I think it may have been with TCW.</p> <p>13 Q. And do you recall whether or not you</p> <p>14 ultimately ever did a CDO involving TCW?</p> <p>15 A. Oh, we did lots of CDOs with TCW, but I</p> <p>16 don't think that we got -- I don't think that we were</p> <p>17 able to -- I don't recall that we were able to get</p> <p>18 that requirement. There was a period when Merrill</p> <p>19 Lynch said they didn't want to buy anyone else's CDOs</p> <p>20 into their warehouses, and so as a tit for tat, we</p> <p>21 then said to Merrill Lynch we're not buying your</p> <p>22 deals, and then Lehman said we're not buying your</p> <p>23 deals, everyone said we're not buying your deals; and</p> <p>24 I think it may have lasted for a week, and then</p> <p>25 everyone realized it was counter productive. And</p>	<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 MS. LITTLE: Objection, vague.</p> <p>4 A. No.</p> <p>5 Q. Did you ever instruct anyone who worked</p> <p>6 on the structuring desk for you that they should</p> <p>7 attempt to have an asset manager actually select</p> <p>8 assets from a specific source identified by</p> <p>9 Citigroup?</p> <p>10 MS. LITTLE: Objection, vague.</p> <p>11 A. I don't remember.</p> <p>12 Q. You don't remember if you did or did not</p> <p>13 or you don't remember ever doing it?</p> <p>14 MR. COHEN: Objection to form.</p> <p>15 A. I don't remember.</p> <p>16 MR. COHEN: You can answer.</p> <p>17 A. Can you repeat the question.</p> <p>18 Q. Yes. Do you recall whether or not you</p> <p>19 ever instructed or directed anyone who worked for you</p> <p>20 on the structuring desk to tell or instruct an asset</p> <p>21 manager to select specific assets for a CDO from</p> <p>22 another source other than Citigroup?</p> <p>23 MR. COHEN: Objection to form.</p> <p>24 MS. LITTLE: Objection to form.</p> <p>25 A. Other than Citigroup?</p>

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<p>1 Grant - March 6, 2012</p> <p>2 A. I don't remember.</p> <p>3 Q. Do you recall, again, whether you had</p> <p>4 any discussion with Mr. Quintin concerning what</p> <p>5 Mr. Stoker was referring to?</p> <p>6 A. I don't remember.</p> <p>7 Q. Sir, looking at that document, and</p> <p>8 sitting here today, do you have an understanding of</p> <p>9 what this means to you?</p> <p>10 MR. COHEN: Objection to form.</p> <p>11 MS. LITTLE: Objection.</p> <p>12 A. I don't remember.</p> <p>13 Q. I understand you don't remember, but</p> <p>14 looking at the bottom e-mail from Mr. Stoker to you</p> <p>15 and other individuals, and specifically, paragraph 2,</p> <p>16 do you have any understanding of what Mr. Stoker was</p> <p>17 referring to -- is referring to?</p> <p>18 MR. COHEN: When you say paragraph 2,</p> <p>19 just to be clear, which one do you mean?</p> <p>20 MR. INFELISE: On the second page, the</p> <p>21 paragraph 2.</p> <p>22 MR. COHEN: The one that begins with the</p> <p>23 number 2?</p> <p>24 MR. INFELISE: That's the one.</p> <p>25 MS. LITTLE: Object, foundation.</p>	<p>1 Grant - March 6, 2012</p> <p>2 1 -- CITI 1946072.</p> <p>3 Q. All right, Mr. Grant.</p> <p>4 Have you had a chance to look at Exhibit</p> <p>5 614?</p> <p>6 A. Yes.</p> <p>7 Q. And this appears to be an e-mail from</p> <p>8 Brian Stoker to several individuals including</p> <p>9 Mr. Quintin and you.</p> <p>10 Do you recall, sir, receiving this</p> <p>11 e-mail?</p> <p>12 A. No, although it was copied to me.</p> <p>13 Q. It was copied to you.</p> <p>14 Do you have any reason to believe that</p> <p>15 you didn't receive this e-mail?</p> <p>16 A. No.</p> <p>17 Q. All right. Now, I would like to direct</p> <p>18 your attention to the second sentence that starts</p> <p>19 with also put. It says we also put in a simple table</p> <p>20 that shows the profits you can make shorting single A</p> <p>21 assets into the deal or Shalabh selling new issue</p> <p>22 bonds into the deal.</p> <p>23 Do you have any recollection of what</p> <p>24 Mr. Stoker is referring to?</p> <p>25 MR. COHEN: Objection to form.</p>
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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 A. I'm sorry, can you repeat the question.</p> <p>4 Q. Sure. Sitting here today, and I</p> <p>5 understand you don't recall this, but reading this</p> <p>6 e-mail, do you have any understanding of what</p> <p>7 Mr. Stoker is referring to when he says Citi shorts</p> <p>8 zero 50 percent and 100 percent of the collateral</p> <p>9 into the CDO?</p> <p>10 MR. COHEN: Objection to form.</p> <p>11 MS. LITTLE: Objection.</p> <p>12 A. Yes.</p> <p>13 Q. All right. What's your understanding?</p> <p>14 A. That Citi would take a short position in</p> <p>15 zero 50 percent or 100 percent of the collateral in</p> <p>16 the CDO.</p> <p>17 Q. All right. Thank you.</p> <p>18 Mr. Grant, I'm now going to show you --</p> <p>19 well, I'm going to ask the court reporter to mark the</p> <p>20 next document as Exhibit No. 614.</p> <p>21 (Exhibit 614, Single-page Document Bates</p> <p>22 numbered CITI 1946072, marked for</p> <p>23 identification, as of this date.)</p> <p>24 MR. INFELISE: And this is, for the</p> <p>25 record, a single-page document Bates numbered</p>	<p>1 Grant - March 6, 2012</p> <p>2 MS. LITTLE: Objection.</p> <p>3 A. I don't. I don't remember.</p> <p>4 Q. Do you recall if you had any</p> <p>5 conversation with Mr. Stoker concerning this subject?</p> <p>6 A. I don't recall.</p> <p>7 MS. LITTLE: Objection.</p> <p>8 Q. Prior to the date of this e-mail,</p> <p>9 October 27, 2006, were there any CDOs that you're</p> <p>10 aware of that Citigroup structured in which Citi</p> <p>11 actually shorted single A assets into the deal?</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 MS. LITTLE: Objection.</p> <p>14 A. I don't remember prior to that.</p> <p>15 Q. You don't remember if it ever happened?</p> <p>16 A. Yes. I don't remember if it ever</p> <p>17 happened at all.</p> <p>18 Q. Do you recall whether this would have</p> <p>19 been an unusual event?</p> <p>20 MR. COHEN: Objection to form.</p> <p>21 MS. LITTLE: Objection.</p> <p>22 A. I don't remember at the time.</p> <p>23 Q. Well, sir, as I understand your earlier</p> <p>24 testimony, one of the things the structuring desk did</p> <p>25 was do the math concerning any structures.</p>

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<p>1 Grant - March 6, 2012</p> <p>2 In light of that, do you have any</p> <p>3 understanding of what Mr. Stoker is talking about</p> <p>4 when he put -- he says we also put in a table that</p> <p>5 shows the profits you can make shorting single A</p> <p>6 assets into the --</p> <p>7 MR. COHEN: Objection to form.</p> <p>8 MS. LITTLE: Objection.</p> <p>9 A. I don't know what -- I don't know what</p> <p>10 he was thinking.</p> <p>11 Q. And you don't recall him ever discussing</p> <p>12 it with you?</p> <p>13 A. I don't remember.</p> <p>14 Q. All right. Do you recall whether</p> <p>15 Mr. Quintin ever discussed it with you?</p> <p>16 A. I don't remember.</p> <p>17 Q. Sir, when you had conducted your</p> <p>18 analysis as part of the structuring desk, did you</p> <p>19 take into account the profits that were potentially</p> <p>20 to be made by Citi as a result of the structuring?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 MS. LITTLE: Objection.</p> <p>23 A. The -- can you -- I don't think I</p> <p>24 understand the question.</p> <p>25 Q. Well, as part of the mathematics you</p>	<p>1 Grant - March 6, 2012</p> <p>2 Q. All right. And for the record, I note</p> <p>3 that you are not on this e-mail either as sender or</p> <p>4 recipient.</p> <p>5 My question to you, sir, is were you</p> <p>6 aware that on November the 1st of 2006, Mr. Stoker</p> <p>7 had sent a list to a Mr. Khan containing what it</p> <p>8 says, a first cut of names?</p> <p>9 A. I don't remember whether I was aware.</p> <p>10 Q. Do you recall whether Mr. Stoker ever</p> <p>11 discussed this with you?</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 MS. LITTLE: Objection.</p> <p>14 A. I don't remember.</p> <p>15 Q. Looking at Exhibit 371, is this the form</p> <p>16 of the dummy portfolio that we talked about that you</p> <p>17 would normally provide?</p> <p>18 MR. COHEN: Objection to form.</p> <p>19 MS. LITTLE: Objection.</p> <p>20 A. I don't know. It could be.</p> <p>21 Q. Well, all right, sir. I understood that</p> <p>22 you said you provided a dummy portfolio that would</p> <p>23 include an actual breakdown of what was in tranches.</p> <p>24 MR. COHEN: Objection to form.</p> <p>25 Q. Is that correct?</p>
Page 79	Page 81
<p>1 Grant - March 6, 2012</p> <p>2 said you did, did that include attempting to</p> <p>3 determine what, if any, profits Citi would make as a</p> <p>4 result of that CDO?</p> <p>5 MS. LITTLE: Objection. Vague and</p> <p>6 misstates prior testimony.</p> <p>7 A. Yes. You would only do a deal if it was</p> <p>8 going to contribute to the profits of Citigroup; and</p> <p>9 it was fairly simple because we had a structuring fee</p> <p>10 multiplied by the principal.</p> <p>11 Q. So the profit would normally be the</p> <p>12 structuring fee multiplied by what was the principal.</p> <p>13 Is that --</p> <p>14 A. The deal size.</p> <p>15 Q. The deal size. That was the normal</p> <p>16 profits that you would expect?</p> <p>17 A. Yeah. The revenue.</p> <p>18 Q. Okay. Thank you. All right, sir.</p> <p>19 I'm going to show you what was</p> <p>20 previously marked as Exhibit 371, a one-page document</p> <p>21 Bates numbered CITI 18143140.</p> <p>22 All right, sir.</p> <p>23 Have you had a chance to look at Exhibit</p> <p>24 371?</p> <p>25 A. Yes.</p>	<p>1 Grant - March 6, 2012</p> <p>2 A. Yes. It would include the side of the</p> <p>3 securities or dummy securities.</p> <p>4 Q. And then why do you say that Exhibit 371</p> <p>5 could actually be one of those dummy portfolios?</p> <p>6 MR. COHEN: Objection to form. That's</p> <p>7 not his testimony.</p> <p>8 MS. LITTLE: Objection.</p> <p>9 A. It's a list of -- it's a list of CDOs.</p> <p>10 Q. Yes. And why is it you believe, then,</p> <p>11 that this may have been, or as you said, could have</p> <p>12 been, a dummy portfolio --</p> <p>13 MR. COHEN: Objection to form.</p> <p>14 Q. -- provided to the asset manager?</p> <p>15 MR. COHEN: Sorry, I didn't mean to cut</p> <p>16 you off. Objection to form.</p> <p>17 A. I don't know. I'm just -- I don't know</p> <p>18 what it is.</p> <p>19 Q. All right.</p> <p>20 A. I don't know.</p> <p>21 Q. Sir, this is not the normal format for a</p> <p>22 dummy portfolio that your structure desk would</p> <p>23 provide, is it?</p> <p>24 MR. COHEN: Objection to form.</p> <p>25 MS. LITTLE: Objection.</p>

21 (Pages 78 to 81)

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<p>1 Grant - March 6, 2012</p> <p>2 A. No.</p> <p>3 Q. All right.</p> <p>4 MR. INFELISE: This may be a good time</p> <p>5 to take a break. Let's say, ten minutes.</p> <p>6 THE VIDEOGRAPHER: This marks the end of</p> <p>7 tape No. 2. We're going off the record at 11:14</p> <p>8 a.m.</p> <p>9 (There was a recess taken.)</p> <p>10 THE VIDEOGRAPHER: This marks the start</p> <p>11 of tape No. 3. We're back on the record at</p> <p>12 11:29 a.m.</p> <p>13 BY MR. INFELISE:</p> <p>14 Q. Mr. Grant, I'm going to show you what</p> <p>15 has been previously marked as Exhibit 370, Bates</p> <p>16 numbered CITI 15898475. All right.</p> <p>17 Mr. Grant, have you had a chance to look</p> <p>18 at Exhibit 370?</p> <p>19 A. Yes.</p> <p>20 Q. Do you have any recollection of any of</p> <p>21 the e-mails documented on that page?</p> <p>22 A. No.</p> <p>23 Q. All right. The bottom of the page is</p> <p>24 from Brian Stoker to you as well as Donald Quintin</p> <p>25 and other individuals, and it's a reference to a CSAC</p>	<p>1 Grant - March 6, 2012</p> <p>2 reference to DQ is?</p> <p>3 A. I assume it's Donald Quintin.</p> <p>4 Q. I see.</p> <p>5 And it goes on to say CSAC agreed to the</p> <p>6 terms even though they don't get to pick the assets.</p> <p>7 Sir, do you have any recollection of</p> <p>8 Mr. Stoker telling you that in this CSAC CDO squared,</p> <p>9 CSAC agreed to the terms even though they don't get</p> <p>10 to pick the assets there?</p> <p>11 MS. LITTLE: Objection, foundation.</p> <p>12 A. I don't remember.</p> <p>13 Q. Would that, sir, be an unusual situation</p> <p>14 in your experience on the structuring desk in</p> <p>15 2006-2007?</p> <p>16 MR. COHEN: Objection to form.</p> <p>17 MS. LITTLE: Objection.</p> <p>18 A. I mean, I don't remember getting the</p> <p>19 e-mails, so I don't remember the context.</p> <p>20 Q. I understand that, sir.</p> <p>21 My question was this; in 2006-2007,</p> <p>22 would it have been, in your estimation, unusual that</p> <p>23 an asset manager agreed to terms of CDOs even though</p> <p>24 they didn't get to pick the assets?</p> <p>25 MR. COHEN: Objection to form.</p>
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<p>1 Grant - March 6, 2012</p> <p>2 CDO squared.</p> <p>3 Do you have any understanding or do you</p> <p>4 have any recollection of what deal the CSAC CDO</p> <p>5 squared references?</p> <p>6 MR. COHEN: Objection to form.</p> <p>7 MS. LITTLE: Objection.</p> <p>8 A. I don't remember. I was just copied on</p> <p>9 the e-mail.</p> <p>10 Q. I'm sorry, you were what, just copied?</p> <p>11 A. Just copied on the e-mail.</p> <p>12 Q. Yes. Okay. Thank you.</p> <p>13 Do you have any recollection of whether</p> <p>14 Citi did any CDO squared with CSAC other than Class V</p> <p>15 III?</p> <p>16 A. I don't remember. I remember we did</p> <p>17 deals with CSAC. I don't remember what they were.</p> <p>18 Q. All right. Now, the e-mail directly</p> <p>19 above that is from Darius Grant to Brian Stoker,</p> <p>20 subject CSAC CDO squared.</p> <p>21 And the statement is are we doing this.</p> <p>22 Directly above that is -- appears to be a response</p> <p>23 from Mr. Stoker to -- directly to you. I hope so.</p> <p>24 This is DQ's prop trade (don't tell CSAC).</p> <p>25 First, sir, do you know what the</p>	<p>1 Grant - March 6, 2012</p> <p>2 MS. LITTLE: Objection.</p> <p>3 A. Again, I don't remember. It seems</p> <p>4 somewhat odd.</p> <p>5 Q. Do you recall any CDOs in which you were</p> <p>6 involved or Citi was involved, in which the asset</p> <p>7 manager agreed to the terms of the deal even though</p> <p>8 they didn't get to pick the assets?</p> <p>9 MR. COHEN: Objection to form.</p> <p>10 MS. LITTLE: Objection.</p> <p>11 A. Well, there were the static deals where</p> <p>12 there was no manager picking assets.</p> <p>13 Q. Right. That would be a situation where</p> <p>14 there was no asset manager; and my question was with</p> <p>15 respect to a CDO in which there was an asset manager,</p> <p>16 do you recall that -- any CDO in which -- where there</p> <p>17 was an asset manager, they agreed to the terms of the</p> <p>18 CDO even though they didn't get to pick the assets?</p> <p>19 MS. LITTLE: Objection.</p> <p>20 MR. COHEN: Objection to form.</p> <p>21 A. I don't remember exactly.</p> <p>22 Q. You don't remember that ever happening?</p> <p>23 MR. COHEN: I think you have asked him</p> <p>24 five times now.</p> <p>25 A. I don't remember if -- sorry, can you</p>

22 (Pages 82 to 85)

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<p>1 Grant - March 6, 2012</p> <p>2 repeat the question.</p> <p>3 Q. Sure. One more time.</p> <p>4 MR. COHEN: Thank you. Sixth time.</p> <p>5 MR. INFELISE: That will be the sixth</p> <p>6 time. Thank you.</p> <p>7 MR. COHEN: You're welcome.</p> <p>8 Q. Do you recall any CDO in which you were</p> <p>9 involved where there was an asset manager in which</p> <p>10 the asset manager agreed to the terms even though</p> <p>11 they didn't get to pick the assets in the CDO?</p> <p>12 A. I don't remember.</p> <p>13 MS. LITTLE: Objection.</p> <p>14 Q. The next e-mail up is from Darius Grant</p> <p>15 to Brian Stoker, are you involved. Hopefully, so we</p> <p>16 get the revenue.</p> <p>17 Do you have any recollection of what</p> <p>18 you're referring to?</p> <p>19 MR. COHEN: Objection to form.</p> <p>20 MS. LITTLE: Objection.</p> <p>21 A. I don't remember what I was referring</p> <p>22 to.</p> <p>23 Q. Well, sir, wasn't it normal for the</p> <p>24 structuring desk to be involved in a CDO that was</p> <p>25 being structured by Citigroup?</p>	<p>1 Grant - March 6, 2012</p> <p>2 Q. Well, who took credit for the</p> <p>3 structuring deal? Let me put it that way.</p> <p>4 MS. LITTLE: Objection.</p> <p>5 A. A number of people would take credit for</p> <p>6 any revenue.</p> <p>7 Q. All right. With respect to the</p> <p>8 structure fees, did the structure desk take credit</p> <p>9 for all that revenue that was --</p> <p>10 MS. LITTLE: Objection.</p> <p>11 Q. -- recognized as a result?</p> <p>12 A. I would try and make sure that we got</p> <p>13 credit for it.</p> <p>14 Q. All right. You go on to say in the same</p> <p>15 e-mail let's chat in Asia, can't discuss over e-mail.</p> <p>16 Do you have any recollection of why you</p> <p>17 told Mr. Stoker on November the 3rd, 2006, that you</p> <p>18 couldn't discuss the matter over in e-mail?</p> <p>19 MR. COHEN: Objection to form.</p> <p>20 MS. LITTLE: Objection.</p> <p>21 MR. COHEN: Also, it misstates what the</p> <p>22 e-mail says.</p> <p>23 A. I don't remember getting this or writing</p> <p>24 it.</p> <p>25 Q. During this period of time, was there</p>
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<p>1 Grant - March 6, 2012</p> <p>2 MS. LITTLE: Objection, vague.</p> <p>3 A. Yes.</p> <p>4 Q. All right. And I believe you testified</p> <p>5 earlier that as part of the analysis you did, it</p> <p>6 would be an analysis of the actual profit that was to</p> <p>7 be -- Citigroup could realize from that CDO squared;</p> <p>8 is that right?</p> <p>9 MR. COHEN: Objection to form.</p> <p>10 MS. LITTLE: Objection.</p> <p>11 A. Yes.</p> <p>12 Q. And in that situation, you said that it</p> <p>13 was normal for that profit to be in the form of fees?</p> <p>14 MR. COHEN: Objection.</p> <p>15 Q. Is that correct, sir?</p> <p>16 MS. LITTLE: Objection.</p> <p>17 A. Yes, a structuring fee.</p> <p>18 Q. All right. And that structuring -- with</p> <p>19 respect to that structuring fee, is that a profit</p> <p>20 that your structuring desk would normally recognize</p> <p>21 in these CDOs?</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 MS. LITTLE: Objection.</p> <p>24 A. I don't understand what you mean</p> <p>25 recognize.</p>	<p>1 Grant - March 6, 2012</p> <p>2 any subjects that you normally wouldn't discuss with</p> <p>3 respect to structuring the CDO in an e-mail?</p> <p>4 MS. LITTLE: Objection.</p> <p>5 MR. COHEN: Same objection.</p> <p>6 A. I don't remember if there were.</p> <p>7 Q. So there is nothing you can think of</p> <p>8 specifically that you would not discuss in an e-mail</p> <p>9 with respect to the structuring of the CDO?</p> <p>10 MS. LITTLE: Objection.</p> <p>11 MR. COHEN: Objection to form.</p> <p>12 A. No. I don't remember.</p> <p>13 Q. Sir, I think you testified that you</p> <p>14 would try, to the extent possible, to take credit for</p> <p>15 the revenue, the structuring fees.</p> <p>16 Was that -- did you do that because the</p> <p>17 revenue was relevant to the compensation that</p> <p>18 individuals in the structuring group would receive on</p> <p>19 the structuring desk?</p> <p>20 MS. LITTLE: Objection, vague and</p> <p>21 foundation.</p> <p>22 A. Generally speaking, yes.</p> <p>23 Q. Let me go back just a moment to 370, and</p> <p>24 direct your attention to the e-mail from Mr. Stoker</p> <p>25 in the middle of the page where it says I hope so,</p>

23 (Pages 86 to 89)

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<p>1 Grant - March 6, 2012</p> <p>2 this is DQ's prop trade.</p> <p>3 Sir, do you have any understanding what</p> <p>4 the word prop, what that refers to?</p> <p>5 MR. COHEN: The word prop?</p> <p>6 MR. INFELISE: Prop, P-R-O-P.</p> <p>7 A. I don't remember at the time.</p> <p>8 Q. Do you have any understanding sitting</p> <p>9 here today what prop refers to?</p> <p>10 MR. COHEN: Just the word prop?</p> <p>11 MR. INFELISE: The word prop.</p> <p>12 A. I understand what -- I think I</p> <p>13 understand what it means, proprietary.</p> <p>14 Q. Do you have any reason to believe that</p> <p>15 on November the 3rd, that the reference by</p> <p>16 Mr. Stoker, DQ's prop trade, wasn't to DQ's</p> <p>17 proprietary trade?</p> <p>18 MS. LITTLE: Objection, foundation.</p> <p>19 MR. COHEN: Same objection.</p> <p>20 A. I don't remember that at that point.</p> <p>21 Q. Do you have any understanding of what</p> <p>22 the reference to a prop trade could be other than a</p> <p>23 reference to a proprietary trade?</p> <p>24 MS. LITTLE: Objection, foundation.</p> <p>25 A. I don't remember. I don't remember.</p>	<p>1 Grant - March 6, 2012</p> <p>2 Have you had a chance to look through</p> <p>3 Exhibit No. 615?</p> <p>4 A. Yes.</p> <p>5 Q. All right. And sir, you can look at any</p> <p>6 portion you want. I'm going to direct your attention</p> <p>7 to the e-mail from Mr. Stoker to you at the top of</p> <p>8 the first page dated November 9, 2006.</p> <p>9 Again, sir, do you have any recollection</p> <p>10 of receiving this e-mail from Mr. Stoker?</p> <p>11 A. No.</p> <p>12 Q. And do you have any reason to believe</p> <p>13 that you did not receive this e-mail from Mr. Stoker?</p> <p>14 A. No.</p> <p>15 Q. All right. The first sentence says let</p> <p>16 Jim into DQ's CDO squared with CSAC as manager.</p> <p>17 Do you know what the reference to Jim</p> <p>18 is?</p> <p>19 A. Yes.</p> <p>20 Q. And what's your understanding of what</p> <p>21 the reference to Jim is?</p> <p>22 A. I assume it's Jim Prusko who was</p> <p>23 referenced on all the previous trail of e-mails.</p> <p>24 Q. All right. Thank you.</p> <p>25 It goes onto say will up size it to 1.5</p>
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<p>1 Grant - March 6, 2012</p> <p>2 Q. Do you have any understanding sitting</p> <p>3 here today what the term prop trade could refer to</p> <p>4 other than a proprietary trade?</p> <p>5 MS. LITTLE: Objection, same objection.</p> <p>6 A. I can't think of anything.</p> <p>7 Q. I'm sorry? You can't --</p> <p>8 A. Think of anything.</p> <p>9 Q. Sir, I'm going to -- well, I'm going to</p> <p>10 ask the court reporter to mark the next document as</p> <p>11 615 which does not appear to have a Bates number on</p> <p>12 it. It might be -- oh, I'm sorry. It looks like it</p> <p>13 was cut off.</p> <p>14 MR. INFELISE: Let me have the court</p> <p>15 reporter mark it first, and then I'll identify</p> <p>16 it for the record.</p> <p>17 (Exhibit 615, Five-page Document, Bates</p> <p>18 Nos. CITI 18158710 through 714, marked for</p> <p>19 identification, as of this date.)</p> <p>20 MR. INFELISE: And for the record, 615</p> <p>21 is a five-page document and the Bates numbers on</p> <p>22 this copy, which appear to be cut off on the</p> <p>23 copy we've given the witness, is CITI 18158710</p> <p>24 through 714.</p> <p>25 Q. All right, sir.</p>	<p>1 Grant - March 6, 2012</p> <p>2 BB.</p> <p>3 Is that 1.5 billion or is it your</p> <p>4 understanding that references 1.5 billion?</p> <p>5 MS. LITTLE: Objection, foundation.</p> <p>6 A. Again, I don't remember getting it,</p> <p>7 but...</p> <p>8 Q. Well, let me ask you this, when you see</p> <p>9 a reference to BB, was it standard practice to use</p> <p>10 that as an abbreviation for billion?</p> <p>11 MR. COHEN: Objection to form.</p> <p>12 MS. LITTLE: Objection.</p> <p>13 A. I mean, I don't remember getting the</p> <p>14 e-mail, so I guess I don't remember.</p> <p>15 Q. Well, aside from having -- remembering</p> <p>16 getting the e-mail, in November of 2006, do you have</p> <p>17 any recollection of whether or not it was a standard</p> <p>18 practice to abbreviate billion as BB?</p> <p>19 MR. COHEN: Objection to form.</p> <p>20 MS. LITTLE: Objection, asked and</p> <p>21 answered.</p> <p>22 A. I don't remember. I thought it was BN.</p> <p>23 Q. Okay. Do you have any recollection of</p> <p>24 speaking with Mr. Stoker about this e-mail or the</p> <p>25 topic covered in his e-mail?</p>

24 (Pages 90 to 93)

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<p>1 Grant - March 6, 2012</p> <p>2 have any recollection of what you're referring to</p> <p>3 when you say I know we are doing a "prop" deal on our</p> <p>4 own?</p> <p>5 A. I don't remember.</p> <p>6 Q. Do you recall whether or not as a result</p> <p>7 of this e-mail, you had any discussions with</p> <p>8 Mr. Stoker about a prop deal?</p> <p>9 A. I don't remember.</p> <p>10 Q. Do you recall if you had discussions</p> <p>11 with anyone after this e-mail concerning doing a prop</p> <p>12 deal?</p> <p>13 A. I don't remember.</p> <p>14 Q. Sir, if you look at the e-mail on the</p> <p>15 bottom of the page from Mr. John Frontero.</p> <p>16 Sir, do you know who John Frontero was?</p> <p>17 A. Yes.</p> <p>18 Q. Who is he?</p> <p>19 A. He was a salesperson on the fixed income</p> <p>20 sales desk.</p> <p>21 Q. I note that you're not an addressee on</p> <p>22 this e-mail. However, you obviously are responding</p> <p>23 to it or commenting on it.</p> <p>24 Do you have any recollection of how you</p> <p>25 were made aware of Mr. Frontero's e-mail?</p>	<p>1 Grant - March 6, 2012</p> <p>2 about this CSAC CDO squared?</p> <p>3 MR. COHEN: Objection to form.</p> <p>4 MS. LITTLE: Objection.</p> <p>5 A. I don't remember.</p> <p>6 Q. Would it, as a matter of practice during</p> <p>7 this time, would the fact that information concerning</p> <p>8 the nature of a trade in a specific CDO that was not</p> <p>9 told to the asset manager raise any question or</p> <p>10 concern in your mind?</p> <p>11 MR. COHEN: Objection to form.</p> <p>12 MS. LITTLE: Objection.</p> <p>13 A. I don't know. I don't know the context</p> <p>14 or the comments.</p> <p>15 Q. In your experience, would there be any</p> <p>16 reason why the asset manager wouldn't be told that</p> <p>17 Citigroup was doing a proprietary trade as part of a</p> <p>18 CDO?</p> <p>19 MS. LITTLE: Objection.</p> <p>20 MR. COHEN: Objection to form.</p> <p>21 A. I think that would be a legal question .</p> <p>22 which we would -- as to whether it was something</p> <p>23 should be told to the manager, I guess.</p> <p>24 Q. I see. Do you know if Mr. Stoker ever</p> <p>25 referred that question to any legal counsel?</p>
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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: I'm going to object to the</p> <p>3 commentary. Just answer the question, please.</p> <p>4 MS. LITTLE: Objection.</p> <p>5 A. I don't remember.</p> <p>6 Q. I see.</p> <p>7 Who is Mr. -- is it Michael Psyllos?</p> <p>8 A. Yes. He was a deal manager.</p> <p>9 Q. Did he work for you?</p> <p>10 A. Yes.</p> <p>11 Q. I'm going to ask you just a minute, if</p> <p>12 you would go back and look at Exhibit 370. It's the</p> <p>13 one that was previously marked, so it will be a white</p> <p>14 sticker in the lower right corner.</p> <p>15 A. Yes.</p> <p>16 Q. Do you have that, sir?</p> <p>17 A. Yes.</p> <p>18 Q. And I asked you a series of questions</p> <p>19 about this. I'd like to again, direct your attention</p> <p>20 back to the middle of the page where there's an</p> <p>21 e-mail from Brian Stoker to you. It's November the</p> <p>22 3rd, 2006, which says I hope so, this is DQ's prop</p> <p>23 trade. (Don't tell CSAC.)</p> <p>24 Sir, do you recall whether or not when</p> <p>25 you read this, this raised any concerns in your mind</p>	<p>1 Grant - March 6, 2012</p> <p>2 A. I don't know.</p> <p>3 MS. LITTLE: Objection, foundation.</p> <p>4 Q. Do you recall whether or not you ever</p> <p>5 referred that question to any legal counsel?</p> <p>6 A. I don't remember.</p> <p>7 Q. When you -- well, sir, let me ask you.</p> <p>8 You say you don't recall this e-mail at all.</p> <p>9 Sitting here today and reading that</p> <p>10 comment, did it raise any concerns in your mind</p> <p>11 concerning what Mr. Stoker was doing as a deal</p> <p>12 manager?</p> <p>13 MR. COHEN: Objection.</p> <p>14 Q. Sitting here today.</p> <p>15 MR. COHEN: Objection.</p> <p>16 MS. LITTLE: Objection.</p> <p>17 MR. WINSLETT: Could we have the</p> <p>18 question reeled back.</p> <p>19 MR. INFELISE: Why? Hold on a second.</p> <p>20 Q. Did you understand the question, sir?</p> <p>21 A. Well, could you repeat it. Sorry.</p> <p>22 Q. I'll be happy to repeat it.</p> <p>23 Sitting here today, reading this e-mail,</p> <p>24 does it raise any question in your mind concerning</p> <p>25 Mr. Stoker's role as a deal manager working for you?</p>

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<p>1 Grant - March 6, 2012</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 MS. LITTLE: Objection.</p> <p>4 A. I mean, I don't know -- I'd have to</p> <p>5 speculate because it's out of context, it's not the</p> <p>6 time frame. I don't know.</p> <p>7 Q. Sir, if you had a deal manager who</p> <p>8 informed you that he was not providing information to</p> <p>9 an asset manager concerning the actual nature of a</p> <p>10 transaction, would that have caused you any concern?</p> <p>11 MS. LITTLE: Objection.</p> <p>12 MR. COHEN: Objection to form.</p> <p>13 A. Yes.</p> <p>14 Q. Okay. Thank you.</p> <p>15 Sir, in 2006-2007, I just want to make</p> <p>16 sure, Brian Stoker was a deal manager that worked for</p> <p>17 you in the structured desk?</p> <p>18 A. Yes.</p> <p>19 Q. And was he given authority to act on</p> <p>20 behalf of Citi in that capacity?</p> <p>21 MS. LITTLE: Objection.</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 A. I'm not sure there was a formal written</p> <p>24 policy that said you are given authority.</p> <p>25 Q. Was it an understanding that he had</p>	<p>1 Grant - March 6, 2012</p> <p>2 that document.</p> <p>3 In terms of flip books, sometimes we</p> <p>4 sent flip books to external counsel. If it was a</p> <p>5 deal that was different, most of the time, we didn't.</p> <p>6 But you know, there was also internal Citi counsel</p> <p>7 sometimes that would look at the flip books.</p> <p>8 Q. All right. With respect to the offering</p> <p>9 circulars, would Mr. Stoker, as a deal manager, be</p> <p>10 responsible for providing information on the deals he</p> <p>11 was working on to outside counsel for inclusion in</p> <p>12 the offering memorandums?</p> <p>13 MS. LITTLE: Objection, it's vague.</p> <p>14 A. Yes.</p> <p>15 Q. And was it Mr. Stoker's responsibility</p> <p>16 with respect to deals that he was managing to provide</p> <p>17 information to counsel, outside or inside counsel,</p> <p>18 concerning any differences in the CDO deals he was</p> <p>19 working on from the standard provisions in the</p> <p>20 offering circulars used in previous deals?</p> <p>21 MS. LITTLE: Objection.</p> <p>22 MR. COHEN: Objection to form.</p> <p>23 A. Yes.</p> <p>24 Q. Do you recall if Mr. Stoker ever</p> <p>25 proposed that he put together a series of documents</p>
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<p>1 Grant - March 6, 2012</p> <p>2 authority to act on behalf of Citigroup?</p> <p>3 MS. LITTLE: Objection.</p> <p>4 MR. COHEN: Objection to form.</p> <p>5 A. Yes.</p> <p>6 Q. Okay. And was it Mr. Stoker's</p> <p>7 responsibility as a deal manager to provide</p> <p>8 information concerning any -- the offering memorandum</p> <p>9 or the flip book, for any particular CDO to outside</p> <p>10 counsel?</p> <p>11 MR. COHEN: Objection.</p> <p>12 MS. LITTLE: Objection.</p> <p>13 A. Could you repeat the question.</p> <p>14 Q. Sure. It wasn't worded very well. Let</p> <p>15 me try it again.</p> <p>16 As a deal manager, was Mr. Stoker</p> <p>17 responsible with respect to deals that he was</p> <p>18 managing to provide the copies of any offering</p> <p>19 memorandum or flip book to outside counsel to obtain</p> <p>20 their opinions?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 MS. LITTLE: Objection.</p> <p>23 A. Well, the offering document would start</p> <p>24 being drafted at the external counsel's office, so</p> <p>25 they would be the one that would actually produce</p>	<p>1 Grant - March 6, 2012</p> <p>2 to use as a template for offering circulars?</p> <p>3 A. Yes.</p> <p>4 Q. And was that done?</p> <p>5 A. I recall -- I wouldn't say he was going</p> <p>6 to put together offering circulars. I think he</p> <p>7 wanted to try and simplify, standardize some of the</p> <p>8 provisions of the offering circulars such as the --</p> <p>9 well, I don't remember exactly which components of</p> <p>10 it, but probably the more mathematical pieces.</p> <p>11 Q. Sir, was there any formal opinions that</p> <p>12 the structuring desk received from either inside or</p> <p>13 outside counsel with respect to any of the offering</p> <p>14 circulars that they were provided for review or that</p> <p>15 they created?</p> <p>16 MR. COHEN: Objection to form.</p> <p>17 MS. LITTLE: Objection.</p> <p>18 A. I'm sorry, can you repeat the question.</p> <p>19 Q. Sure. Do you recall whether or</p> <p>20 not either inside or outside counsel ever issued any</p> <p>21 type of formal opinion with respect to any offering</p> <p>22 circulars that they were asked to review or that they</p> <p>23 created with respect to a particular CDO?</p> <p>24 MR. COHEN: Objection to form.</p> <p>25 MS. LITTLE: Objection.</p>

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